



Security Council

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Letter dated 6 October 2014 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

I am pleased to provide my report as the President of the Governing Council of the United Nations Compensation Commission on the results of the Council's seventy-eighth session, which was held in Geneva on 2 and 3 October 2014. The full text of the conclusions adopted by the Council and additional documentation are attached.* Nevertheless, I would like to highlight a few of the issues discussed during the session.

During the opening plenary meeting, delegations from the Governments of Iraq and Kuwait addressed the Governing Council, including representatives from the Committee of Financial Experts of Iraq, which is responsible for the oversight of the oil revenues of that country.

With regard to the arrangements for ensuring that deposits are made into the Compensation Fund, the Governing Council noted its continued satisfaction with the transfer of 5 per cent of the oil revenues of Iraq and the equivalent of 5 per cent of the value of non-monetary payments to the Compensation Fund. The Council further noted the commitment of Iraq to comply with relevant Security Council resolutions, particularly in view of the extremely difficult security situation in Iraq.

The Governing Council also noted that, since its previous session in April 2014, one payment of \$1.19 billion was made in July 2014 to the State of Kuwait. This leaves approximately \$5.7 billion to be paid on the remaining claim submitted by the Government of Kuwait on behalf of the Kuwait Petroleum Corporation. The Commission remains on track to pay the outstanding balance in full towards the end of 2015, based on current levels of income to the Compensation Fund and recent projections. The next quarterly payment under Governing Council decision [267 \(2009\)](#) is scheduled to be made on 23 October 2014 and is expected to be approximately \$1 billion.

The Governing Council also heard an update by the Secretariat on ongoing audit activities in relation to the Commission undertaken by both the Board of Auditors and the Office of Internal Oversight Services.

Given that the Commission is nearing the conclusion of its mandate, the Governing Council heard a briefing by the Secretariat on its activities to ensure the orderly wind-down of the Commission. In this regard, and as the Commission gets

* Not included in the present document.



closer to the time of final payment, it is expected that the President of the Governing Council will brief the Security Council on the status and expected timing for conclusion of the Commission's mandate. Following an inquiry by the delegation of Iraq as to the process for discontinuing the payment mechanism once compensation has been paid in full, the Governing Council directed the Secretariat to advise Iraq that the Council would take the necessary action to discontinue the payment mechanism as soon as it was appropriate.

With regard to the Commission's Follow-up Programme for Environmental Awards, which was concluded at the end of 2013, the Governing Council noted that all withheld funds and accrued interest had been released to the four participating Governments under the Programme, and that the first annual reports to the Council, as required under the assurances given by Jordan, Kuwait and Saudi Arabia, had been received.

The Governing Council discussed the request that Iraq had made at the opening plenary for a copy of the Commission's archives and noted that Iraq had presented some proposals that warranted further consideration. In this regard, the Council will further consider the proposals at its next informal working group meeting, bearing in mind the constraints of which Iraq has previously been advised.

The Governing Council's Committee on Administrative Matters met during the session, considered the interim expenditure report for 2014 and approved the budget for 2015. The report of the Committee was adopted by the Council.

The next session of the Governing Council will be held on 21 and 22 April 2015.

(Signed) John **Quinn**
Ambassador
President of the Governing Council
